

## **F. 2003 FLEET MANAGEMENT PROGRAM GOALS**

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The Office of Administration, with input from the Fleet Management Advisory Committee, will begin exploration of several options in 2003 to further improve the efficiency of the state fleet. With the implementation of the Fleet Information System in July 2003, one full year of vehicle cost and utilization data will be available to drive future fleet management initiatives.

Below is a list and subsequent discussion of fleet management goals for 2003:

### ***Goals***

1. Reduce the number of passenger vehicles by 10%
2. Implement a new vehicle pre-approval process
3. Revise the State Vehicle Policy to further reduce the number of commuting vehicles
4. Implement the statewide Fleet Information System
5. Analyze potential for savings through contracted vehicle maintenance services
6. Analyze the costs/benefits of various fleet financing options
7. Analyze feasibility of sharing resources between state agencies
8. Revise the State Vehicle Policy to indicate vehicle types permitted to have less than 15,000 miles annual usage
9. As required in Section 37.350 RSMo., the Office of Administration will establish guidelines for determining the most cost-effective and reasonable modes of travel for single trips from the following options: passenger rail, vehicle rental, fleet checkout and reimbursement for personal car use

### ***1. Reduce the number of passenger vehicles by 10%***

The Commissioner of Administration has directed agencies to reduce passenger vehicle fleets by 10% by June 30, 2003. This 10% fleet reduction target should result in nearly 620 fewer state vehicles.<sup>1</sup> Vehicles used to ensure the safety of Missouri citizens, such as the Missouri State Highway Patrol, will be excluded from reduction efforts.

Preliminary data submitted by state agencies indicates a significant number of underutilized state vehicles when evaluated against standards established in the State Vehicle Policy. Specifically, agencies will be asked to reduce the number of pool vehicles and non-essential vehicles driven less than 15,000 miles annually until their fleet utilization meets the standards contained in the State Vehicle Policy.

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<sup>1</sup> Fleet reduction target is based on 6,200 passenger vehicles (automobiles, pick-up trucks, sport utility vehicles, and passenger vans) identified in last years State Auditor's Report 2001-94 (page 18), which is the most recent count of passenger vehicles in the State. Excludes vehicles from the state colleges and universities and approximately 1,200 law enforcement vehicles in the Department of Public Safety.

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### ***(continued)***

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#### ***2. Implement a new vehicle pre-approval process***

A new vehicle pre-approval process will be implemented this year to prevent fleet expansion and to ensure agencies are utilizing existing vehicles consistent with the State Vehicle Policy. Agencies that have demonstrated compliance with the State Vehicle Policy guidelines will be permitted to replace vehicles. Agencies that have not met policy guidelines will be asked to reassign existing vehicles to increase the overall utilization of their fleet.

#### ***3. Revise the State Vehicle Policy to reduce the number of vehicles used in a commuting capacity***

In January 2003, the Office of Administration issued a letter directing agencies that state vehicles should no longer be used for commuting purposes if there is a personal benefit, as defined by IRS regulations. The Office of Administration will also issue a revision to the State Vehicle Policy eliminating the on-call commuting provision for non-specialty use vehicles (Section II.E.2.c). The Office of Administration will recommend reimbursing employees for mileage rather than providing a take home vehicle to respond to after hour calls. The commuting policy will be further revised to exclude vehicle use or assignment when such use would be deemed a personal benefit as defined under IRS guidelines.

#### ***4. Implement the statewide Fleet Information System***

In July 2003, the statewide Fleet Information System will be implemented. The system will provide uniform reporting of vehicle data from all state agencies. Implementation of this system is critical to achieving other fleet management goals, because reliable data is essential in order to analyze the viability of many fleet efficiency improvement options.

#### ***5. Analyze potential for savings through contracted vehicle maintenance services***

The OA Vehicle Maintenance facility offers approximately 40% savings in maintenance costs for state vehicles located in the Jefferson City area. The Departments of Conservation and Transportation have similar maintenance facilities throughout the state while other agencies operating vehicles outside Jefferson City must utilize commercial maintenance facilities to repair their vehicles. Contracts could be established for certain routine services like oil/filter changes using a national chain. Where there is a sufficient cluster of state vehicles, as in the major metropolitan areas, contracts could be established for comprehensive and/or specialized repair services.

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### ***6. Analyze various fleet financing options***

With the current budget situation, many state agencies have and will continue to defer vehicle replacement. Our projections, based on agency self-reported data from 2001, indicate 34% of vehicles have over 100,000 total miles while 59% have over 60,000 total miles.<sup>2</sup> To address the aging vehicle fleet, the following fleet financing options will be explored:

- Mileage reimbursement vs. leased vehicles
- Debt-finance purchase of state vehicles
- Leasing vehicles

### ***7. Analyze feasibility of sharing resources between state agencies***

Fleet efficiencies might be gained by agencies pooling resources to maximize utilization of state vehicles. Many state agencies operate a central pool in the state capital. Consolidation of pool vehicles by location (city) may be warranted if there are underutilized pool vehicles in a particular location.

Once data is available from the Fleet Information System, a thorough analysis will be performed to analyze the cost vs. benefits of any centralized fleet management recommendation.

### ***8. Revise the State Vehicle Policy to indicate vehicle types permitted to have less than 15,000 miles annual usage***

Over 52% of licensed state vehicles are utilized less than 15,000 miles annually. The State Vehicle Policy will be revised to permit instances where this is appropriate. Other state fleet management programs have varying levels of allowable utilization for specialty use vehicles. The State Fleet Manager will conduct research and provide recommended policy changes to FleetMAC members for their review and comment prior to adoption.

### ***9. As required in Section 37.350 RSMo., the Office of Administration will establish guidelines for determining the most cost-effective and reasonable modes of travel for single trips from the following options: passenger rail, vehicle rental, fleet checkout and reimbursement for personal car use.***

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<sup>2</sup> Based on data submitted to the House Interim Committee on State Fleet of Motor Vehicles and Airplanes in December 2001.